



Senate

General Assembly

File No. 44

January Session, 2001

Senate Bill No. 1069

Senate, March 19, 2001

The Committee on Insurance and Real Estate reported through SEN. BOZEK of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING MINOR CHANGES TO THE INSURANCE STATUTES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 38a-26 of the general statutes is
2 repealed and the following is substituted in lieu thereof:

3 (b) The commissioner shall immediately send by registered or
4 certified mail one copy of the process to the person to be served as
5 follows: (1) To that person's last-known principal place of business,
6 residence, or post-office address, or (2) if a foreign insurance company,
7 to the secretary of the company or designee of the company, or (3) if an
8 alien insurance company, to the resident manager, if any, in this
9 country, or (4) if a fraternal benefit society, to the secretary or
10 corresponding officer of the society.

11 Sec. 2. Section 38a-53a of the general statutes is repealed and the
12 following is substituted in lieu thereof:

13 Each domestic, foreign and alien insurer authorized to transact
14 insurance in this state shall annually on or before March first of each
15 year, file electronically with the National Association of Insurance
16 Commissioners a copy of its annual statement convention blank, along
17 with such additional filings as prescribed by the commissioner for the
18 preceding year. The information filed with the National Association of
19 Insurance Commissioners shall be in the same format and scope as that
20 required by the commissioner and shall include the signed jurat page
21 and the actuarial certification. Each such insurer shall also file with the
22 National Association of Insurance Commissioners a copy in [diskette]
23 electronic form of any information so filed with the National
24 Association of Insurance Commissioners [which] that was prepared in
25 accordance with guidelines as required by the Insurance
26 Commissioner. Any amendments and addendums to the annual
27 statement or other financial statements subsequently filed with the
28 commissioner shall also be filed with the National Association of
29 Insurance Commissioners. Foreign insurers that are domiciled in a
30 state [which] that has a law substantially similar to the provisions of
31 this section shall be deemed in compliance with this section. Upon
32 written application of any insurer domiciled in this state [which] that
33 transacts no insurance business in another state, the commissioner may
34 grant an exemption from compliance with this section if compliance
35 would constitute a financial or organizational hardship upon the
36 insurer. All financial analysis ratios and examination synopses
37 concerning insurance companies that are submitted to the insurance
38 department by the National Association of Insurance Commissioners'
39 Insurance Regulatory Information System are confidential and may
40 not be disclosed or otherwise made public by the department.

41 Sec. 3. Subsection (e) of section 38a-88a of the general statutes is
42 repealed and the following is substituted in lieu thereof:

43 (e) The credit allowed by this section may be claimed only with
44 respect to a subject insurance business which (1) occupies the new

45 facility for which an eligibility certificate has been issued by the
46 [Insurance Commissioner] commissioner and with respect to which
47 the certification required under subsection (g) of this section has been
48 issued as its home office, and (2) employs not less than twenty-five per
49 cent of its total work force in new jobs.

50 Sec. 4. Subsection (a) of section 38a-153 of the general statutes is
51 repealed and the following is substituted in lieu thereof:

52 (a) Any domestic insurance company may, with the prior approval
53 of the commissioner, merge or consolidate with one or more other
54 domestic insurance companies or with one or more foreign or alien
55 insurance companies [, which are] that are either authorized to do an
56 insurance business in this state, [if] or are not authorized to do an
57 insurance business in this state provided the resulting corporation is a
58 corporation of this state and the laws of the other jurisdictions so
59 permit. Prior to [the approval of] approving any such merger or
60 consolidation, the commissioner may hold a hearing upon the fairness
61 of the terms and conditions of the proposed merger or consolidation
62 after such notice as, under the circumstances, [he] the commissioner
63 deems appropriate and shall [satisfy himself] find that the interests of
64 the policyholders and the interests of the stockholders, if any, are
65 protected. Such merger or consolidation may be effected either in
66 accordance with the provisions of the general statutes relating to
67 merger or consolidation of corporations organized under the general
68 statutes or in accordance with any provisions in the charters of the
69 companies merging or consolidating relating to merger or
70 consolidation. All expenses in connection with the proceedings shall be
71 borne by the resulting corporation.

72 Sec. 5. Section 38a-363 of the general statutes is repealed and the
73 following is substituted in lieu thereof:

74 As used in sections 38a-17, 38a-19 and 38a-363 to 38a-388, inclusive:

75 (a) "Injury" means bodily injury, sickness or disease, including death
76 resulting therefrom, accidentally caused and arising out of the
77 ownership, maintenance or use of a private passenger motor vehicle or
78 a vehicle with a commercial registration, as defined in subdivision (12)
79 of section 14-1.

80 (b) "Insurer" or "insurance company" includes a self-insurer and a
81 person having the rights and obligations of an insurer under sections
82 38a-19 and 38a-363 to 38a-388, inclusive, as provided by section 38a-
83 371.

84 (c) "Occupying" a vehicle means to be in or upon or entering into or
85 alighting from the vehicle.

86 (d) "Owner" of a private passenger motor vehicle means the person
87 who owns the legal title thereto, except where the motor vehicle is the
88 subject of a security agreement or lease with option to purchase with
89 the debtor or lessee having the right to possession, in which event
90 "owner" means the debtor or lessee.

91 (e) "Private passenger motor vehicle" means a: (1) Private passenger
92 type automobile; (2) station-wagon-type automobile; (3) camper-type
93 motor vehicle; (4) high-mileage-type motor vehicle, as defined in
94 section 14-1; (5) truck-type motor vehicle with a load capacity of fifteen
95 hundred pounds or less, registered as a passenger motor vehicle, as
96 defined in said section, or as a passenger and commercial motor
97 vehicle, as defined in said section, or used for farming purposes; or (6)
98 a vehicle with a commercial registration, as defined in subdivision (12)
99 of said section. It does not include a motorcycle or motor vehicle used
100 as a public or livery conveyance.

101 (f) "Relative" of a person means one who is related to the person by
102 blood, marriage or adoption.

103 (g) "Use" of a motor vehicle includes the loading or unloading

104 thereof.

105 (h) "Pedestrian" means any person not occupying a vehicle of any
106 type other than a vehicle designed to be drawn or driven by muscular
107 power.

108 Sec. 6. Subsection (a) of section 38a-947 of the general statutes is
109 repealed and the following is substituted in lieu thereof:

110 (a) All unclaimed funds subject to distribution remaining in the
111 liquidator's hands when the liquidator is ready to apply to the court
112 for discharge, including the amount distributable to any creditor,
113 shareholder, member, or other person who is unknown or cannot be
114 found, shall be deposited with the State Treasurer, and shall be paid
115 without interest except in accordance with section 38a-944 to the
116 person entitled thereto or that person's legal representative upon proof
117 satisfactory to the State Treasurer of [his] the person's right thereto.
118 Any amount on deposit not claimed within six years from the
119 discharge of the liquidator shall be deemed to have been abandoned
120 and shall be escheated without formal escheat proceedings and be
121 deposited in the General Fund. [The] Alternatively, the liquidator may
122 elect to apply to the court for authority to hold the unclaimed funds
123 subject to distribution for a period of two years. Thereafter, any
124 unclaimed funds may be distributed to approved claimants who have
125 previously received a distribution, if it is economically feasible for the
126 liquidator to make the distribution, or the liquidator may apply to the
127 court for permission for the funds to be held by the State Treasurer in
128 an account on behalf of the commissioner in [his] the commissioner's
129 capacity as receiver for the purpose and use of defraying the costs and
130 expenses of administration of other insolvent insurers for which there
131 are insufficient assets to fund the costs and expenses of administration.

INS *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: Department of Insurance

Municipal Impact: None

Explanation**State Impact:**

The bill makes technical changes to the insurance statutes concerning electronic filings to the National Association of Insurance Commissioners, mergers between a domestic insurance company, and a foreign company and the commissioner's authority concerning certain improper business conduct. The Department of Insurance will not incur any additional workload as a result of the minor changes to these statutes.

OLR Bill Analysis

SB 1069

AN ACT CONCERNING MINOR CHANGES TO THE INSURANCE STATUTES.**SUMMARY:**

This bill makes several changes to the insurance statutes. It

1. allows a foreign insurance company's designee to receive a copy of any legal process served on the insurance commissioner as agent for service of process instead of the insurer's corporate secretary;
2. requires insurers to file financial statements and related information with the National Association of Insurance Commissioners electronically rather than by mail;
3. permits the merger or consolidation of a Connecticut-domiciled insurer with a foreign insurer without requiring the insurer to obtain a license if the surviving insurer is a Connecticut corporation;
4. extends to self-insurers of private passenger motor vehicle liability risks the insurance commissioner's authority to order automobile insurance companies to stop improper business activity, including the failure to adjust and pay losses when they become due;
5. permits the liquidator of an insolvent insurance company to apply to the Superior Court for authority to (a) hold unclaimed funds for two years and then distribute them to claimants, if economically feasible or (b) allow the state treasurer to hold the funds in an account on behalf of the insurance commissioner and use them to defray other insolvent insurer's administrative costs and expenses when assets are not sufficient to pay them;

and.

6. corrects a reference to the insurance commissioner by replacing it with "commissioner" to refer to the economic and community development commissioner for purposes of tax credit administration under the Connecticut Insurance Reinvestment Fund.

EFFECTIVE DATE: October 1, 2001

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Report

Yea 18 Nay 0